National
Multiple Sclerosis
Society

Eliminate Tier IV or Specialty Tiering in Prescription Drug Coverage

Position

Multiple sclerosis (MS) is an often disabling, autoimmune disease affecting the central nervous system. Although there is no cure for MS, appropriate medication can slow the disease progression, reduce the frequency and intensity of flare-ups, and allow people with MS to live active and productive lives.

People with MS depend on access to affordable disease modifying therapies for improving and maintain quality of life. The annual cost of these drugs ranges from $16,500 to more than $30,000. Many are forced to stop their prescribed therapy because they cannot afford the cost-sharing associated with these high prices.

As drug prices climb, health insurance companies, including those administering Medicare Part D plans, address these increasing costs by creating a new cost sharing mechanism within their drug plans. This mechanism, called "specialty tiers," introduces a fourth tier to the traditional three tiered drug formulary structure. The fourth tier is reserved for the most expensive medications such as MS therapies. Instead of companies charging a fixed co-pay for tier IV drugs, patients are responsible for a co-insurance or a percentage (20 to 35 percent or more) of the cost of the tier IV drug. Co-insurance can amount to thousands of dollars in out-of-pocket costs to patients for drugs critical to the treatment of their disease.

Request

The National Multiple Sclerosis Society supports efforts to prohibit the practice of specialty tiering or implementing a tier IV by health insurance companies, including Medicare Part D plans. Such a practice creates a barrier to access of medically necessary medication to improve the quality of life of people with MS and will raise overall health care costs.

Supporting Rationale

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- Health insurance companies, including those administering Medicare Part D plans, are adopting a new pricing system for expensive drugs. This new system adds a tier IV or a "specialty tier" to the company's traditional three tiered drug plan.

- Rather than charging a fixed co-pay ($10 for generic, $25 for preferred, $50 for non-preferred), companies charge patients a co-insurance or a percentage (20 to 35 percent or more) of the cost of the high-priced drug. Co-insurance can amount to thousands of dollars in out-of-pocket costs to patients for drugs critical to the treatment of their disease.

- The extraordinary disparity in cost-sharing and co-insurance resulting from specialty tiering imposes a significant burden on patients whose health depends on expensive drugs and constitutes an undue and unjust discrimination based on their disease, disability, or condition.

- People with MS depend on disease modifying therapies that range in cost from $16,500 to more than $30,000 annually. With no generic alternative available, a patient's choice is limited to paying significant out-of-pocket costs or not taking their prescribed medication.

- The below chart estimates the monthly cost of four common MS therapies and shows the estimated monthly cost for those who are subject to a tier IV co-insurance.

MS Therapy	Monthly Cost	25% Co-Pay	33% Co-Pay
Avonex	$2,270	$567	$749
Betaseron	2,198	549	725
Copaxone	2,110	527	696
Rebif	2,347	586	775

- If subject to a 25 to 33 percent co-insurance, the medication to treat MS would cost between $525 and $775 out-of-pocket each month. People with MS rely on access to these vital drugs in order to live active and productive lives. These co-insurance rates place a significant barrier to access of these medically necessary drugs.

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